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300% Bank Payday Loans Spreading
August 8: Deadline for Public Comments to Bank Regulator

Banks big and small are plunging into the payday loan business, offering short-term advances until the borrower's next pay or benefits check at rates that add up to a 300% annual percentage rate (APR) or higher. According to a new [Issue Brief from the National Consumer Law Center](#), Regions Bank is the latest big bank to start offering payday loans, joining Wells Fargo, U.S. Bank and Fifth Third. The federal bank regulator, the Office of the Comptroller of the Currency (OCC), is taking comments through August 8, 2011 on the [OCC proposed guidance on bank payday loans and overdraft fee programs](#).

"Banks simply should not be in the payday loan business," said Lauren Saunders, managing attorney of the National Consumer Law Center in Washington, DC. "Federal bank regulator guidance will only legitimize bank payday loans and encourage even more banks to offer triple-digit balloon-payment loans that exploit families living paycheck to paycheck," she added.

The OCC's proposed guidance also covers overdraft fees, and Saunders urges that "Consumers and others should stand up for Main Street and tell the OCC that banks need to offer affordable forms of overdraft protection and stop abusive overdraft fee programs and payday loans that rob struggling families of the little income they have."

Read this [sample comment letter](#) that you can adapt to email your own comments to the OCC by August 8, 2011. (Note: the due date on the OCC website is incorrect.)

More information:

National Consumer Law Center: [Runaway Bandwagon: How the Government's Push for Direct Deposit of Social Security Exposes Seniors to Predatory Bank Loans](#)

National Consumer Law Center: [Stopping the Payday Loan Trap: Alternatives that Work, Ones that Don't](#)

National Consumer Law Center: [NCLC Applauds End of 650% MetaBank Prepaid Card Payday Loan](#)

Center for Responsible Lending: [Big Bank Payday Loans](#)

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National Consumer Law Center[®] (NCLC[®]) is a non-profit organization specializing in consumer issues on behalf of low-income and other vulnerable people. Since 1969, NCLC has worked with legal services and nonprofit organizations as well as government and private attorneys across the United States, to create sound public policy for low-income and elderly individuals on consumer issues.